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Development (1943 / 49) Department.

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G.O. No. 918

Dated 25th February 1948

[Despatch Abstract.]

Labour - I.L.O. - Questionnaire on 'Protection of Wages' Item VI(c) on the agenda of the 31st session to be held in San Francisco on in June 1948 - Government of India's letter - Replied to - Papers recorded.

GOVERNMENT OF INDIA
Ministry of Labour

No.LC-54(9), dated New Delhi, the 5th January 1948.

From

Sri S.P. Saksena M.A., B.Com.,
Director, Labour Conference

To

The Secretary to the Government of Madras,
Public Works Department,
Madras

Sub: Protection of wages, Item VI(c) on the agenda of the 31st Session of the International Labour Conference to be held at Sanfrancisco in June 1948.

The Thirty-first Session of the International Labour Conference will be held at Sanfrancisco in June 1948. One of the subjects to be discussed at the Conference is the question of wages which will be discussed in three parts viz. General Report; Protection of Wages and Fair Wages Clauses in Public contracts. The I.L.O. Report on Protection of Wages (2nd Part) has been received and I am directed to forward herewith a copy of the Report with the request that replies (in duplicate) to the Questionnaire given at pages 48-55 of the Report, may kindly be forwarded to this Ministry by the 31st January 1948 as the consolidated reply of the Government of India is to reach the I.L.O. not later than 15th March 1948.

As only a limited number of copies of the Report has been received from the I.L.O. it has not been possible to send more than one report along with this letter. Two additional copies of the report will be supplied to the Provincial Government when more copies are received from the I.L.O

I have the honour to be,
Sir,
Your most obedient servant
S. P. Saksena,
Director of Labour Conference.

Government of Madras
Development Department

Letter ~~Ref~~. No.75.

From

The Secretary to the Government of Madras,
Development Department

To

The Secretary to the Government of India,
Ministry of Labour, New Delhi.

Dated Fort St. George the 2nd February 1948.

Sir,

Labour - I.L.O. - Questionnaire on 'Protection of Wages' Item VI(c) of the agenda for the 31st session to be held in San Francisco in June 1948 - Replied to.

Mr. Saksena's letter No.L.C.54(9), dated 5-1-48.

I am directed to forward herewith the reply of the Government of Madras to the I.L.O. Questionnaire sent with the above letter.

Your Obedient Servant
** **
Secretary to Government.

p.t.o.

ANSWER TO THE QUESTIONNAIRE

I. FORM OF INTERNATIONAL REGULATIONS.

1. Do you consider that the International Labour Conference should adopt international regulations concerning the protection of wages and that these regulations should take the form of a Convention ?

Y e s.

2.(a) Do you consider it desirable to supplement the proposed Convention with one or more Recommendations on the subject ?

(b) If so, which of the following points should, in your opinion, be excluded from the Convention and included in a Recommendation ?

All the points may be included in the Convention.

II SCOPE.

3. (a) Do you consider that the international regulations should apply to:--

(i) remuneration or earnings, however designated or calculated, capable of being expressed in terms of money, which are payable by the employer to the worker in virtue of a written or unwritten contract of employment: and

Y e s.

(ii) allowances or supplementary payments, such as bonuses and severance pay or dismissal wages, which are payable by the employer to the worker in virtue of a contract of employment or national law ?

Y e s.

(b) Do you consider that the international regulations should provide for the possibility of excluding employed persons whose remuneration exceeds an amount prescribed by law ?

Yes. The payment of wages Act excluded persons whose wages exceed Rs.200/-. In view of the prevailing high cost of living and the consequent high level of wages and allowances, the limit may be raised to Rs.400/- as in the workmen's compensation Act.

(c) Do you further consider that the international regulations should provide for the possibility of excluding any other categories of employed persons, and if so, which ?

The question of excluding any other categories of employed persons may be left to individual Governments to be provided by legislation.

(d) Have you any further suggestions to make concerning the scope of the international regulations ?

-N- i l.

III. Medium of Wage Payments

A - Payment in kind.

4. Do you consider that the international regulations should provide that the partial payment of remuneration in the form of allowances in kind may be authorised by law only industries or occupations in which such payments are customary or necessary by reason of the nature of the industry or occupation concerned ?

Y e s.

5. (a) Do you consider that the international regulations should provide that, in cases in which the law authorises part payment of wages in kind, appropriate measures should be taken to ensure that --

(i) such allowances in kind are restricted to those which are necessary for the personal use of the worker and his family;

(ii) the value attributed to such allowances should not exceed their real value; and

(iii) such allowances are of adequate quality and quantity ?

Y e s.

(b) Are there any other provisions which you consider should be included in the international regulations concerning the partial payment of wages in kind, and if so, which ?

N i l.

B. PAYMENT IN CASH.

6. (a) Do you consider that the international regulations should provide that wages should be paid only in legal tender and that payment in the form of promissory notes, vouchers coupons or any other token alleged to represent legal currency should be prohibited ?

(b) Do you consider that wages may, with the consent of the worker, be paid by bank draft or cheque ?

Y e s.

7. Do you consider that the international regulations should provide that, except as otherwise specified by the worker, wages should be paid directly to the worker concerned ?

Y e s.

C. FREE DISPOSAL OF WAGES AND REGULATION OF COMPANY STORES.

8. Do you consider that the international regulations should provide that the employer should be prohibited from limiting in any manner the freedom of the worker to dispose of his wages ?

Y e s.

9.(a) Do you consider that the international regulations should provide that in appropriate cases works stores or similar services may be established for the sale of merchandise to the workers subject to the conditions to be prescribed by national laws or regulations ?

Yes. Such stores will be necessary and useful in times of emergency and scarcity.

(b) If so, do you consider that such conditions should include the following:-

(i) that the workers concerned should be free from any coercion to make use of such services;
(ii) that no financial profit should accrue to the employer from the operation of such services;
(iii) that the appropriate measures should be taken to ensure the sale of goods at fair and reasonable prices; and
(iv) that representatives of the workers concerned, and more particularly members of works welfare committees or similar bodies, where such exist, should be associated in the administration of such services ?

Y e s.

(c) Are there any other provisions concerning the regulations

regulations of works stores and similar services which you consider should be included in the international regulations, and if so, which ?

It is desirable to have such stores run on co-operative lines to enable workers to have an effective voice in the administration and disposal of the profits, if any, from such stores.

IV. DEDUCTIONS FROM WAGES.

10. (a) Do you consider that the international regulations should include provisions concerning deductions from wages ?

Y e s.

(b) If so, do you consider that the conditions under which deductions may be made should be prescribed by national laws or regulations and notified to the workers concerned in the manner deemed most appropriate by the competent authority.

Yes. The payment of Wages Act makes adequate provision in this respect.

11. Do you consider that the international regulations should provide that no deductions from wages may be made in the form of direct or indirect payments by a worker to an employer or his representative or to any intermediaries (such as sub-contractors or labour recruiters) for the purpose of obtaining or retaining employment ?

Yes. The system of employment through contracts and labour recruiters on commission basis has always led to gross abuses and detriment to the workers.

12. (a) Do you consider that the international regulations should provide that the employer may not make any deductions from wages in order to reimburse himself for loss or damage to his products, goods or installations except under the following conditions:--

(i) that the damage or loss has been caused intentionally or through grave negligence on the part of the worker; and

(ii) that the deduction is fair and does not exceed the real value of the damage or loss ?

(b) Are there any other conditions which you consider should be prescribed, and if so, which ?

The payment of Wages Act and the Rules thereunder make due provision for such matters. They may be adopted.

13. Do you consider that the international regulations should provide that the employer may not make any deductions from wages in the form of disciplinary fines except under the following conditions:

(i) that the worker has committed a breach of legal regulations or of the provisions of works regulations previously established in conformity with national laws or regulations;

(ii) that the worker concerned or representatives of the staff should be heard; and

(iii) that the proceeds from disciplinary fines are used exclusively for the benefit of the staff of the undertaking concerned ?

Yes. .....)

Yes. The payment of Wages Act contains necessary provisions in regard to this matter.

14. Do you consider that the international regulations should provide that deductions from wages in respect of tools, materials or equipment supplied by the employer may be made only if such deductions --

(i) are a recognized custom of trade or occupation concerned; or

(ii) are provided for by collective agreements; or

(iii) are authorised by a procedure recognized by national laws or regulations ?

Y e s.

V. ATTACHMENT AND SEIZURE OF WAGES.

15. (a) Do you consider that the international regulations should provide that wages should be subject to attachment or seizure only in a manner and within limits prescribed by law ?

(b) Do you consider that, to the extent deemed to be necessary for the maintenance of the worker and his family, wages should not be subject to attachment or seizure ?

Y.e s.

VI. WAGES AS A PRIVILEGED DEBT.

16. (a) Do you consider that the international regulations should include provisions to declare wages ~~xxx~~ a privileged debt ?

Y e s.

(b) If so, do you consider that the international regulations should provide that, in the event of the bankruptcy or judicial liquidation of an undertaking, workers in the employer's service should be treated as privileged creditors as regards wages due to them for services rendered prior to the bankruptcy or judicial liquidation ?

Y e s.

(c) Do you consider that the international regulations should include any provisions concerning the relationship between privileged wages debts and other types of privileged debts and if so, what kind of provision would you regard as appropriate ?

The privileged wages debts should have priority over all other debts.

(d) Do you consider that the international ~~ix~~ regulations should provide that the wages constituting a privileged debt should be paid in full before ordinary creditors may establish any claim to a share of the assets ?

Y e s.

VII. PERIODICITY, TIME AND PLACE OF WAGE PAYMENTS.

A - Periodicity of Payments.

17. Do you consider that the international regulations should prescribe maximum intervals for the payment of wages ?

Yes. The payment of Wages Act prescribes one month as the maximum interval.

18. If your reply is in the affirmative, do you consider that the international regulations should provide that payment should be made not less often than --

(a) twice a month in the case of workers whose remuneration is calculated -

(i) by the hour, day or week; or

(ii) on a piece-work or output basis; and

(b) once a month in the case of other employed persons ?

One month may be the maximum limit generally for all payments and weekly payments the minimum except for casual/temporary workers. (/and)

19. In the case of workers employed to perform a task the completion of which required more than a fortnight, do you consider that the international regulations should provide that --

(a) Payments should be made on account not less often than twice a month in proportion to the amount of work completed; and

(b) final settlement should be within a fortnight of the completion of the task ?

Y.e s..

20. Are there any other categories of workers in respect of which the international regulations should include provisions concerning intervals for the payment of wages ? If so, what intervals do you suggest for such categories of workers ?

Casual, temporary and job workers and workers whose services are terminated should be paid within two days of the termination of their work.

B. TIME AND PLACE OF PAYMENTS.

21. Do you consider that the international regulations should provide that payment of wages should be made only on working days ?

Yes: and during working hours wherever possible.

22. Do you consider that international regulations should provide that, when the contract of employment is terminated, a final settlement of wages should be effected within a period to be prescribed by national laws or regulations ?

Yes: Within two days of termination as provided for in the payment of Wages Act.

23. Do you consider that the international regulations should provide that the payment of wages should be made at or near the workplace ?

Yes

24. Do you consider that the international regulations should prohibit the payment of wages in taverns, shops, places of amusement or other similar establishments except in the case of persons employed in such establishments ?

Y e s.

VIII. NOTIFICATION OF WAGE CONDITIONS TO WORKERS.

A. Notification of Wage Rights.

p.t.o.

25. (a) Do you consider that the international regulations should provide that workers should be informed, in a manner to be prescribed by national laws or regulations, of the conditions in respect of wages under which they are employed ? (1)

(b) Do you further consider that the international regulations should specify the details of the conditions which should be brought to the knowledge of the workers, and that such details should, wherever appropriate, include particulars as to:--

(i) the rates of wages payable;
(ii) the method of calculation;
(iii) the intervals of payments;
(iv) the place of payment; and
(v) the conditions under which deductions may be made ?

Y e s.

(c) Are there any other provisions which you consider should be included in the international regulations concerning notification to workers of wage conditions, and if so, what provisions would you suggest ?

N i l.

B. STATEMENTS OF EARNINGS.

26. (a) Do you consider that the international regulations should provide that workers should be informed, with each payment of wages, of the following particulars:--

(i) the gross amount of wages earned;
(ii) the method of calculation;
(iii) any deductions which may have been made; and
(iv) the net amount wages paid ?

Y e s.

(b) Are there any categories of workers to which you consider that the foregoing provisions should not apply and if so, which ?

No categories of workers need be excluded.

IX. ENFORCEMENT MEASURES

27. Do you consider that the international regulations should provide that the laws and regulations concerning the protection of wages should --

(i) be brought to the notice of all persons concerned;
(ii) define the persons responsible for compliance therewith;
(iii) prescribe adequate penalties for any violation thereof; and
(iv) provide for the maintenance of a system of inspection adequate to ensure effective enforcement ?

Y e s.

28.(a) Do you consider that the international regulations should provide for the maintenance of payroll records in a form and manner to be prescribed by national laws or regulations ?

Yes.

28. (b) Do you further consider that such records should, in respect of each worker employed, include the following particulars, wherever appropriate:--

(i) the gross amount of wages earned in each pay period;
(ii) the method of calculation;
(iii) deductions from wages; and
(iv) the net amount of wages paid ?

Yes. The payment of Wages Act makes necessary provisions in regard to these matters.

The report of the International Labour Office is returned herewith.

p.t.o.

GOVERNMENT OF INDIA
Ministry of Labour

No.L.C. 54(9), dated New Delhi the 6th March 1948.

From

Rai Bahadur H. Khanna,
Deputy Secretary to the Government of India,

To

The Deputy Secretary to the Government of India Madras,
Public Works Department,
Madras.

Sub: Protection of Wages - Part II sixth item on the agenda of the thirty first Session of the International Labour Conference to be held at Sanfrancisco in June 1948..

In continuation of this Ministry's letter No.L.C.54(9), dated the 5th January 1948 on the subject mentioned above, I am directed to send herewith for your information two copies of the reply sent by the Government of India to the I.L.O. questionnaire on Protection of Wages.

I have the honour to be,
Sir,
Your most obedient Servant.

Sd/ Din Dayal,
for Dy. Secretary to the Govt. of India.

P.T.O.

GOVERNMENT OF INDIA
Ministry of Labour.

INDIAN LABOUR CONFERENCE (Ninth Session)

I Form of the International Regulations.

1.	Do you consider that the international Labour Conference should adopt international regulations concerning the protection of wages and that these regulations should take the form of a Convention ?	Yes
2.(a)	Do you consider it desirable to supplement the proposed convention with one or more Recommendations on the subject ?	Yes
(b)	If so, which of the following points should, in your opinion be excluded from the Convention and included in a Recommendation ?	The answers to questions will indicate what points should be covered by a Convention and what should be included in a Recommendation.

II SCOPE.

3. (a)	Do you consider that the International regulations should apply to --	Yes. The expression "capable of being expressed in terms of money" needs careful definition. It should, for example, exclude items like:
	(i) remuneration or earnings, however designated or calculated, capable of being expressed in terms of money, which are payable by the employer to the worker in virtue of a written or unwritten contract of employment; and	(a) the value of any house accommodation, supply of light water, medical attendance or other amenity or services excluded under national regulations;
	(ii) allowances or supplementary payments such as bonuses and severance pay or dismissal wages, which are payable by the employer to the worker in virtue of a contract of employment or national law ?	(b) any contribution paid by the employer to any Pension Fund or Provident Fund or in respect of any social insurance scheme;
		(c) any travelling allowance ~~scheme~~ or the value of any travelling concession;
		(d) any sum paid to the perso employed to defray the specia expenses entailed on him by nature of his employment;
		(e) any gratuity payable on discharge.
		The objects of the proposals are:
		(a) to guarantee the worker against practices which would tend to make him unduly dependent on his employer, and (b) to ensure that he receives promptly and in full the wages which he has earned
		It will be sufficient for these purposes if the regulations cover only payments which are normally paid in

3. (continued)

cash like wages, cost of living allowances, bonuses, etc. To defeat any attempt that may be made to circumvent the regulations by making payments in kind or services, it would be desirable to express "capable of being expressed in terms of money". At the same time care should be taken to see that this vide expression does not include certain services which cannot and need not be covered by the Regulations. The reason for suggesting that gratuity payable on discharge should be excluded from the scope of the regulations is this. The payment is related to the total approved service of the employee and sometimes must be allowed to employers to verify the service. Before payment is arranged, it will also be necessary to see that there are no dues from the workers. Consequently it may not be possible to arrange for the payment of the gratuity within the time normally allowed for the payment of wages. No hardship will be caused to the workers if the payment of this lumpsum is deferred for a short period.

3(b) Do you consider that the International regulations should provide for the possibility of excluding employed persons whose remuneration exceeds an amount prescribed by law ?

Yes. But the limit should be left to be prescribed by national regulations.

3(c) Do you further consider that international regulations should provide for the possibility of excluding any other categories of employed persons, and if so, which ?

The international Regulations apply, in the case of India, only to employments in industrial undertakings to which the payment of wages Act is applied.

3(d) Have you any further suggestions to make concerning the scope of the international regulation?

III. MEDIUM OF WAGE PAYMENTS.

A. Payment in Kind.

4. Do you consider that the international regulations should provide that the partial payment of remuneration in the form of allowances in kind may be authorised by law only in industries or occupations in which such payments are customary or necessary by reason of the nature of the industry or occupation concerned ?

Yes. The question whether payment in kind is necessary or not in any industry or occupation should be left to be determined by national authorities.

5.(a) Do you consider that the

international regulations should provide that, in cases in which the law authorises part payment of wages in kind, appropriate measures should be taken to ensure that ---	
(i) such allowances in kind are restricted to those which are necessary for the personal use of the worker and his family:	In some cases, for example, in agricultural employments payments in kind need necessarily be restricted to those which are necessary for the personal use of the workers and his family, especially in countries where money economy has not completely superseded the ancient system of payment in kind. So long as provision is made (a) that payments in kind may be allowed only if authorised by national regulations, and (b) that regulations permitting payments in ind should also lay down sufficient safeguards against abuses associated with payments in kind (vide questions 5(a)(ii) and (iii). It is not necessary to lay down a further stipulation that such payments in kind should be restricted to amounts as may be necessary for the personal use of the worker and his family. If it is considered necessary that this point should be ~~my~~ covered by international regulations, it is suggested that the regulations should take the form of a Recommendation.
5(a) (ii) the value attributed to such allowances should not exceed their real value; and	Y e s.
(iii) such allowances are of adequate quality and quantity ?	The principle is acceptable but the difficulty is how to ensure that in every case the allowance in kind is of adequate quality and quantity. As explained in the answer to question 4(a)(i), payment in kind must be authorised under a national law; such authorisation will inevitably include suitable safeguards against any attempt to defraud the worker ~~against~~ in respect of quality or quantity of the payments in kind. It is suggested that international regulations, covering this point should take the form of a Recommendation, so that Member-States will have some latitude in giving effect to the principle.....

principle, depending upon and suited to the circumstances obtaining in their respective countries.

5(b). Are there any other provisions which you consider should be included in the International regulations concerning the partial payment of wages in kind, and if so, which ?

In India certain classes of workers are supplied foodgrains and other essential commodities at concessional prices. This custom grew up during war-time when workers found it difficult to secure a sufficient quantity of supplies at reasonable prices. This arrangement has been continued in many cases even after the war, because the workers regard this as a valuable privilege. The regulations should be so ~~farm~~ framed as to permit its continuance or for its provision even where it is not now in existence, if such provision is considered desirable and in the interests of the workers.

B. PAYMENT IN CASH.

6(a) Do you consider that the international regulations should provide that wages should be paid only in legal tender and that payment in the form of promissory notes, vouchers, coupons or any other token alleged to represent legal currency should be prohibited ?

Yes. But it should be made clear that the wages referred to here relate to the portion ordinarily paid or payable, in cash.

(b) Do you consider that wages may, with consent of the worker, be paid by bank draft or cheque ?

Yes.

7. Do you consider that the international regulations should provide that except as otherwise specified by the workers, wages should be paid directly to the worker concerned. ?

Yes.

6. FREE DISPOSAL OF WAGES AND REGULATION OF COMPANY STORES.

8. Do you consider that the international regulations should provide that the employer should be prohibited from limiting in any manner the freedom of the worker to dispose of his wages ?

9(a) Do you consider that the international regulations should provide that in appropriate cases ~~worker~~ works stores or similar services may be established for the sale of merchandise to the workers subject to conditions to be prescribed by national laws or regulations

9(b)(i) If so, do you consider that such conditions should include the following:

(i) that the workers concerned should be free from any coercion to make use of such services;

(ii) that no financial profit should accrue to the employer from the operation of such services;

(iii) that the appropriate measures should be taken to ensure the sale of goods at fair and reasonable prices; and

The principle enunciated is unexceptionable, but the difficulty is one of enforcement. If it is intended that there should be a check of prices, it will be necessary for Govt. to employ a staff of Cost Accountants. 9(b)(ii) provides that no financial benefits should accrue

9(b) (iii) contd. accrue to the employer. This itself must ensure that the prices are fair and reasonable. Further 9(b)(iv) provides for the association of representatives of workers wherever possible, in the administration of these services. This again should act as a safeguard against profiteering. It is therefore suggested that 9(b)(iii) should be deleted, as being unnecessary and difficult to enforce.

9(b)(iv) that representatives of the workers concerned, and more particularly members of works welfare committees or similar bodies, where such ~~ix~~ exist, should be associated in the administration of such services ? Yes, as far as practicable

9(c) Are there any other provisions concerning the regulation of works stores and similar services which you consider should be included in the international regulations. and if so. which ?

IV. DEDUCTIONS FROM WAGES.

10(a) Do you consider that the international regulations should include provisions concerning deductions from wages

and (b) if so, do you consider that the conditions under which deductions may be made should be prescribed by national laws or regulations and notified to the workers concerned in the manner deemed most appropriate by the competent authority ?

11. Do you consider that the international regulations should provide that no deductions from wages may be made in the form of direct or indirect payments by a worker to an employer or his representative or to any intermediaries (such as sub-contractors or labour recruiters) for the purpose of obtaining or retaining ~~for the~~ employment.

12. (a) Do you consider that the international regulations should provide that the employer may not make any deductions from wages in order to reimburse himself for loss or damage to his products, goods or installations except under the following conditions:

(i) that the damage or loss has been caused intentionally or through grave negligence on the part of the worker; and

It would be sufficient if it is said that the damage or loss should have been caused through the negligence or default on the part of the employee. There is no need to go into the intention or assess the extent of negligence especially as the employee will be given an opportunity to show cause why the deduction should not be made, vide answer to question 12(b).

12(a)(ii) that the deduction is fair and and does not exceed the real value of the damage or loss. Y e s.

12(b) Are there any other conditions which you consider should be prescribed, and if so, which? The international regulations may provide (i) that the worker should be given an opportunity to show cause why no deduction should be made and (ii) that the deductions on account should not exceed such limit as may be imposed by the National authority.

p.t.o.

13 (c) Do you consider that the international regulations should provide that the employer may not make any deductions from wages in the form of disciplinary fines except under the following conditions --

(i) that the worker has committed a breach of legal regulations or of the provisions of works regulations previously established in conformity with national laws or regulations ?

Yes.

(ii) that the worker concerned or representatives of the staff should be heard; and

(iii) that the proceeds from disciplinary fines are used exclusively for the benefit of the staff of the undertaking concerned ?

The proceeds of disciplinary fines need not necessarily be used for the benefit of the staff of the undertaking concerned. A provision that fines should be utilised for the benefit of workers should be sufficient. As a safeguard, a further provision may be made that payment should be made only to such funds for workers' benefits as are approved by the National authority.

14. Do you consider that the international regulations should provide that deductions from wages in respect of tools, materials or equipment supplied by the employer may be made only if such deductions -

Yes.

(i) are a recognized custom of trade or occupation concerned; or

(ii) are provided for by collective agreements; or

(iii) are authorised by a procedure recognised by national laws or regulations ?

V. ATTACHMENT AND SEIZURE OF WAGES.

15(a) Do you consider that the international regulations should provide that wages should be subject to attachment or seizure only in a manner and within limits prescribed by law ?

Yes. National laws should lay down in what manner and within what limits wages can be subject to adjustment or seizure

15(b) Do you consider that, to the extent deemed to be necessary for the maintenance of the worker and his family, wages should not be subject to attachment or seizure ?

The principle is generally accepted. Provision has already been made in 15(a) for national laws to regulate the extent to which wages can be subject to adjustment or seizure, in other words the extent to which they should not be attached or seized. In making these regulations national laws will, no doubt, provide that an amount necessary for the maintenance of the worker and his family should be exempt from adjustment or seizure or attachment will vary from time to time and country to country. For these reasons, there appears to be no need for making special mention of this point in the regulations. If, however, mention should be made in the regulations it is suggested that this matter be covered by a Recommendation.

p.t.o.

VI. WAGES AS A PRIVILEGED DEBT.

16.(a) Do you consider that the international regulations should include provisions to declare wages a privileged debt ?

(b) if so, do you consider that the international regulations should provide that, in the event of bankruptcy or judicial liquidation of an undertaking, workers in the employer's service should be treated as privileged creditors as regards wages due to them for services rendered prior to the bankruptcy or judicial liquidation ?

(c) Do you consider that the international regulations should include any provisions concerning the relationship between privileged wages and other types of privileged debts, and if so, what kind of provision would you regard as appropriate ?

(d) Do you consider that the international regulations should provide that wages constituting a privileged debt should be paid in full before ordinary creditors may establish any claim to a share of the assets ?

It would be desirable to declare wages a privileged debt, but the privilege should be restricted to the wages due in respect of the month prior to the month fix of filing an application for adjudication in the case of bankruptcy or judicial liquidation. Provision is made elsewhere for the regular payment of wages. T here seems to be no reason why the wages due in respect of periods other than the immediately preceding wage period or month should be treated as a privileged debt.

VII PERIODICITY, TIME AND PLACE OF WAGE PAYMENTS.

A. PERIODICITY OF PAYMENTS.

17. Do you consider that the international regulations should prescribe maximum intervals for the payment of wages ?

The international regulations need only provide that wages should be paid as soon as possible, after the expiry of the wage period. Details may be left to be prescribed by national regulations.

18. If your reply is in the affirmative, do you consider that the international regulations should provide that payment should be made not less often than -

(a) twice a month in the case of workers whose remuneration is calculated -
  (i) by the hour, day or week; or
  (ii) on a piece-work or output basis; and
(b) once a month in the case of other employed persons ?

19. In the case of workers employed to perform a task the completion of which requires more than a fortnight, do you consider that the international regulations should provide that -

(a) payments should be made on account not less than twice a month in proportion to the amount of work completed; and
(b) final settlement should be made within a fortnight of the completion of the task ?

Questions 18 and 19: Please see answer to question 17. If the international regulation should cover the points referred to in this question, they may make the form of a Recommendation.

20. Are there any other categories of workers in respect of which the international regulations should include provisions concerning intervals for the payment of wages ? if so, what intervals do you suggest for such categories of workers ?

p.t.o.

B. TIME AND PLACE OF PAYMENTS

21. Do you consider that the international regulations should provide that payment of wages should be made only on working days?

22. Do you consider that the international regulations should provide that, when the contract of employment is terminated, a final settlement of wages should be effected within a period to be prescribed by national laws or regulations ?

23. Do you consider that the international regulations should provide that the payment of wages should be made at or near the work place ?

24. Do you consider that the international regulations should prohibit the payment of wages in taverns, shops, places of amusement or other similar establishments except in the case of persons employed in such establishments ~~xxxxxx in xx~~ ?

VIII. NOTIFICATION OF WAGES CONDITIONS TO WORKERS

A. NOTIFICATION OF WAGE RIGHTS.

25(a) Do you consider that the international regulations should provide that workers should be informed, in a manner to be prescribed by national laws or regulations, of the conditions in respect of wages under which they are employed ?

(b) Do you further consider that the international regulations should specify the details of the conditions which should be brought to the knowledge of the workers and that such details should, wherever appropriate, include particulars as to:

These matters relate to details. They may be left to be covered by a Recommendation which would give the national Govt. some latitude in giving effect to these provisions.

(i) the rates of wages payable;
(ii) the method of calculation;
(III) the intervals of payments;
(iv) the place of payment; and
(v) the conditions under which deductions may be made ?

(c) Are there any other provisions which you consider should be included in the international regulations concerning notification to workers of wage conditions, and, if so, what provisions would suggest ?

.....Nil .....

B. STATEMENTS OF EARNINGS.

26(a) Do you consider that the international regulations should provide that workers should be informed, with each payment of wages, of the follow- particulars:

Yes. But these matters should be left to be covered by a Recommendation.

(i) the gross amount of wages earned;
(ii) the method of calculation
(iii) ~~the~~ any deductions which may have been made; and
(iv) the net amount of wages paid ?

(b) Are there are categories of workers to which you consider that the foregoing provisions should not apply, and if so, which ?

.....Nil.....

p.t.o.

IX. ENFORCEMENT MEASURES.

27. Do you consider that the international regulations should provide that the laws and regulations concerning the protection of wages should --

(i) be brought to the notice of all persons concerned;

(ii) define the persons responsible for compliance therewith;

(iii) prescribe adequate penalties for any violation thereof; and

(iv) provide for the maintenance of a system of inspection adequate to ensure effective enforcement ?

In principle this is desirable; but to allow the national authorities some latitude, this matter may be left to be covered by a Recommendation.

28(a) Do you consider that the international regulations should provide for the maintenance of pay-roll records in a form and manner to be prescribed by national laws or regulations.

(b) Do you further consider that such records should, in respect of each worker employed, include the following particulars, wherever appropriate:

(i) the gross amount of wages earned in each pay-period:

(ii) the method of calculation;

(iii) deductions from wages; and

(iv) the net amount of wages paid ?

These matters may be left to be covered by a Recommendation.

Development Department.

LABOUR - I.L.O. - Questionnaire on 'Protection of Wages' Item VI(c) on the agenda of the 31st Session to be held in San Francisco in June 1948.

From the Government of India, Ministry of Labour No.L.C.54(9) dated 5-1-1948
From the Commissioner of Labour, No.D.Dis.458/48, dated 17th January 1948.

To A.S.

"Protection of Wages" is one of the items of the Agenda for the next session of the International Labour Conference which is to be held in San Francisco in June 1948. The I.L.O. has sent to the Government of India a preliminary report setting out the law and practice on the subject in the different countries and a questionnaire on the subject for their views. The Government of India have circulated the report and the questionnaire to Provincial Governments for suggestions as to the reply to be sent to the I.L.O. The Commissioner of Labour who was consulted has offered his views which are at pp.5-14 c.f. No special remarks seem called for. The draft reply suggested by the Commissioner of Labour may be accepted and forwarded to the Government of India. Draft letter is submitted below for consideration.

Draft letter may issue.

** **
30-1-1948.

H.M. (I. C) H.S.R.
30-1-48

Issued as letter No.75, dated 12-2-1948
From the Govt. of India, Ministry of Labour
No.L.C. 54197, dated 6-2-48
From the Commissioner of Labour No.17622-PIV/48-1, dated 13-2-48.

To A.S.

The papers may be recorded in a G.O.Ms. for facility of future reference. Since a Ms. letter has been issued no further orders are necessary.

** **
22-2-1948.

G.O.Ms.No.910, dated 25-2-1948.

Labour - I.L.O. Questionnaire on 'Protection of Wages' Item VI(c) on the agenda of the 31st session to be held in San Francisco in June 1948 - Government of India letter replied to - Papers recorded.

(True copies)

Superintendent,
Madras Record Office.

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17/8 17/9/48.